# Fares and Revenue: Fact Sheet and Frequently Asked Questions



# "Because mobility is a human right, the ability to pay a fare cannot be a barrier to using transit.

That's why I'm so proud of King County Metro's work to prioritize accessibility across our entire network and to provide subsidized transit fares to our customers with lower incomes, customers with disabilities, seniors, and youth. Many students and employees receive transit benefits through their school or workplace. And, in late 2020, we introduced one of the most ambitious undertakings in the country by launching fully-subsidized transit passes for our riders with the greatest need who qualify through state benefit programs.

At Metro, we're committed to prioritizing where needs are greatest and providing an all-day regional network of frequent transit service.

As we rebuild even bigger and better than before, we're appreciative and responsible stewards of the funds from fares, taxpayers, and employer partners that make safe, equitable, and sustainable transit possible. Thank you for helping us move forward together."

- Terry White, King County Metro General Manager

### Our income-based approach to fares

Metro takes an income-based approach to fares, offering reduced fares for riders with lower incomes, riders with disabilities, seniors, and youth while asking those who can afford to pay to do so. Metro recently-introduced a fully-subsidized pass for riders at the lowest income levels who qualify through state benefit programs. Also, since 1993, Metro has provided transit tickets to eligible human services agencies working with residents who are homeless or have low incomes. These agencies pay 10 percent of the value of the tickets, while Metro covers the remaining 90 percent. Metro is continuously examining how to increase access to transit and these programs are being rigorously evaluated to inform how to best serve members of the community with financial need or other barriers.

**Adults** ages 19–64 Check if your employer or school can help with costs

Adult ORCA \$2.75

At or below 200% FPL (federal poverty level)

ORCA LIFT \$1.50

**Disability or Medicare** 

Reduce Regional Fare Permit \$1.00 **Youth** ages 6–18 Check if your school can help with costs

Youth ORCA \$1.50

**Seniors** ages 65+

Regional Reduced Fare Permit \$1.00

Certain state benefit programs (ABD, HEN, PWA, SSI, TANF, and SFA)

**Subsidized Annual Pass** No Cost



Customers can find the fare that's right for them using our online tool at <a href="mailto:kingcounty.gov/metro/fares">kingcounty.gov/metro/fares</a>

Metro takes a targeted approach to fare subsidies, prioritizing investments where needs are the greatest as directed by the Mobility Framework and in line with King County's Equity and Social Justice Strategic Plan while continuing to collect the fare revenue crucial to supporting Metro's expansive and frequent all-day network.

### Why does Metro collect fares?

Fare revenue is a key pillar of Metro's financial structure. Metro's fund management policies, which are adopted by the King County Council, require Metro to maintain a farebox recovery ratio of at least 25 percent, with a target of 30 percent. This means that Metro strives to cover at least 25 percent of its operating costs in fare revenue.

# What percentage of fare revenue comes from employer partners?

Roughly half of Metro's fare revenue is paid by businesses and institutions, including many of the region's largest employers (such as Amazon and Microsoft) and institutions (such as the University of Washington)

## How much does Metro collect in fares? What would be some of the impacts be if Metro went "fare-free"?

King County Metro collected \$167 million in fare revenue in 2019, with fare collection costs of \$17 million. Fare collection costs represent about 10% of Metro's total fare revenue. In contrast, some smaller transit agencies have eliminated fares in part because their fare revenue did not significantly exceed the cost of fare collection

In a fare-free scenario, fare revenue would need to be replaced or service would likely need to be cut. Metro has ambitious plans—guided by community members—for expanding its network that are predicated on continuing to grow fare revenue.

Further, without the participation of Sound Transit and other regional transit providers, Metro going fare-free could cause customer confusion, increase fare enforcement interactions for other agencies, and undermine Metro's ability to effectively integrate with Link light rail given the financial disincentive to transfer from a fare-free system (Metro) to a fare-charging system (Sound Transit).

### What do Metro's customers want?

According to Metro's surveys, riders across all income groups report that having a network that is fast, reliable, and safe, and gets them where they need to go is equally or more important than fare discounts. Going fare-free would require significant service reductions without a sustainable replacement of that revenue.

#### Relevant resources

"Fares & ORCA" (King County Metro website)
kingcounty.gov/depts/transportation/metro/fares-orca.aspx

"Investing where needs are greatest" (King County Metro website) kingcounty.gov/~/media/depts/metro/about/planning /mobility-framework/investing-where-needs-are-greatest.pdf

"King County Metro 2021-22 budget adopted, delivering reliable transit service to the region" (King County Metro Matters blog) kingcountymetro.blog/2020/11/18/king-county-metro-2021-22-budget-adopted-delivering-reliable-transit-service-to-the-region/

"Reduced fare portal" (King County Metro website) reducedfare.kingcounty.gov/en-US/

"Which ORCA fare is right for you?" (King County Metro website) kingcounty.gov/depts/transportation/metro/fares-orca/ orca-cards/which-fare.aspx

### **About Metro**

King County Metro is the Puget Sound region's largest public transportation agency. Metro provides bus, paratransit, vanpool, and water taxi services, and operates Seattle Streetcar, Sound Transit Link light rail, and Sound Transit Express bus service. Across King County, Metro serves 39 cities, as well as unincorporated areas. Metro is committed to providing safe, equitable, and sustainable mobility, and prioritizing service where needs are greatest.

